

How To Claim EZ Incentives After EZ Expiration or Conditional Designation

	How to Claim Incentives after: Enterprise Zone expires <u>and</u> no new zone is designated	How to Claim Incentives after: Enterprise Zone expires <u>and</u> a new Conditionally Designated Zone is designated with boundaries that overlaps with expired zone	How to Claim Incentives after: Conditionally Designated Zone with <u>no</u> overlapping boundaries with an expired zone
Hiring Credit	<ul style="list-style-type: none"> Continue to claim 5-Year Hiring Credit for qualified employees hired prior to EZ expiration. Continue to use unused carryover. Use 3805Z for expired zone. 	<ul style="list-style-type: none"> Continue to claim 5-Year Hiring Credit for qualified employees hired prior to EZ expiration. Continue to use unused carryover. Use 3805Z for expired zone. Claim 5-yr. Hiring Credit for qualified employees hired <u>after</u> new conditional designation date. Use 2nd 3805Z for new zone. 	<ul style="list-style-type: none"> Claim 5-Year Hiring Credit for qualified employees hired after final designation. Use 3805Z for new zone.
Sales And Use Tax Credit	<ul style="list-style-type: none"> Continue to claim unused carryover. Use 3805Z for expired zone. 	<ul style="list-style-type: none"> Continue to use unused carryover. Use 3805Z for expired zone. Claim Sales & Use Tax Credit for qualified properties placed in service after new conditional designation date. Use 2nd 3805Z for new zone. 	<ul style="list-style-type: none"> Claim Sales & Use Tax Credit for qualified properties placed in service after final designation. Use 3805Z for new zone.
Business Expense Deduction	<ul style="list-style-type: none"> No longer qualifies to claim Business Expense Deduction. 	<ul style="list-style-type: none"> Claim Business Expense Deduction for qualified properties placed in service after new conditional designation date. Use 3805Z for the new zone. 	<ul style="list-style-type: none"> Claim Business Expense Deduction for qualified properties placed in service after final designation. Use 3805Z for new zone.
Net Interest Deduction	<ul style="list-style-type: none"> Creditor can no longer claim Net Interest Deduction for qualified loans negotiated prior expiration of enterprise zone. 	<ul style="list-style-type: none"> Creditor can continue to claim Net Interest Deduction for qualified loans negotiated <u>before</u> prior zone expired. Use 3805z for expired zone. Creditor can claim Net Interest Deduction for qualified loans negotiated <u>after</u> new conditional designation date. Use 2nd 3805Z for new zone. 	<ul style="list-style-type: none"> Creditors can claim Net Interest Deduction for qualified loans negotiated after final designation. Use 3805Z for new zone.
Net Operating Loss	<ul style="list-style-type: none"> Continue to use unused Net Operating Loss carryover. 	<ul style="list-style-type: none"> Continue to use unused Net Operating Loss carryover. Use 3805Z for expired zone. Generate Net Operating Loss attributable to the EZ that is incurred after new conditional designation date. Use 2nd 3805Z for new zone. 	<ul style="list-style-type: none"> Generate Net Operating Loss carryover attributable to the EZ that is incurred after final designation. Use 3805Z for new zone.

This table does not discuss treatment of the tax incentives at the time of expiration (see FTB 3805Z for information).